

## FULL REPLACEMENT VALUE (FRV) COVERAGE

### 1. FRV for Lost or Destroyed Items.

- Claim **MUST** be filed **within 9 months of delivery**
- The transportation service provider (TSP) is **REQUIRED** to replace any item that is lost or destroyed with a new item, or pay the cost of a new item of the same kind and quality, without deducting for depreciation.
- The TSP is not required to replace items which can be repaired for less than the Full Replacement Value of the item.
- The TSP is only required to arrange for the repair of those items, or to pay for the cost of the repairs.
- Repair will be to the extent necessary to restore the item to its condition when it was received by the TSP.
- An item is considered destroyed if it cannot be repaired, or if the cost of repair would exceed the cost of a new item.

### 2. Timely Notice.

- Loss or damage to an item **MUST** be reported to the TSP **within 75 days of the date of delivery**.
- The TSP **MUST** list all missing or damaged items that are discovered on the day of delivery on DD Form 1840, which you will also sign. Three (3) copies of this form will be left with you by the TSP
- Items discovered missing or damaged **AFTER delivery MUST** be listed on the reverse side of the DD Form 1840, known as the DD Form 1840R, and mailed to the carrier **within 75 days after delivery**. Alternatively, the DD Form 1840R may be taken to the nearest military claims office (MCO) within 70 days after delivery.

### 3. Claim Must Be Filed Within 9 Months to Receive FRV.

- Submission of DD Form 1840R does not constitute the filing of a claim. You **MUST** submit a written demand for a specific amount, listing the items lost or damaged, to the carrier **within 9 months after the date of delivery**.
- The TSP will provide instructions on how to file a claim. The claim **MUST** list each item was lost or damaged and give a general description of the damage.
- You do not need to obtain estimates of repair in order to file your claim. The carrier is responsible for obtaining estimates, if you file your claim directly with the carrier **within 9 months of delivery**.
- Do not delay filing your claim past the nine-month deadline in order to get additional information you think the carrier may need. If your claim has been timely filed, additional information may be presented at a later time.

### 4. Limits of Liability.

- A carrier is liable for a **minimum of \$5,000** on any shipment, regardless of the shipment's weight.
- For shipments that weigh more than 1,250 pounds, liability is limited to **\$4.00 per pound** times the weight of your shipment, up to a **maximum of \$50,000**.
- If the amount of your loss exceeds the carrier's maximum liability, you may file a claim with the Army for any loss in excess of the carrier's payment. However, the Army can only pay the depreciated replacement value or repair cost, whichever is less, for those items for which the carrier did not pay.

### 5. Settlement of Loss and Damage Claims.

- The TSP shall pay, deny, or make an offer within 60 days of receipt of a complete, substantiated claim.
- The TSP will complete payment to the owner within 30 days of receipt of notice that the owner has accepted a full or partial settlement.

## 6. Partial Settlements.

- If you cannot reach a mutually acceptable settlement directly with the TSP on part of your claim, you can accept payment from the TSP on those items on which you and the TSP have reached agreement. The TSP will pay you on the items on which you have reached an agreement. You may transfer any unsettled portions of the claim to a MCO.

## 7. Quick Claims.

- The TSP may establish a quick claim settlement procedure to quickly resolve and pay claims for minor loss or damage discovered at the time of deliver
- Quick claims cover payment for **less than \$500** with payment made **within** 5 days of delivery.
- The process of settling and paying such claims will be left to the discretion of each TSP. The quick claim and must specifically list the items and the damage for which payment is being made
- If you receive a “quick” claim settlement and then file an additional claim, the additional claim may not include items that were settled through the quick claim process.

## 8. Inspection of Items by the TSP.

- The TSP may inspect the damaged items at any time prior to settlement of the claim, but may not deny a claim solely on the basis that it was unable to inspect any item.
- If you repaired an item before the TSP inspection, you must provide the repair bill or some other evidence of the damage and repair cost to the TSP. If you disposed of a damaged item, you must give the TSP evidence that the item was damaged beyond economical repair.
- Before a claim is filed, you may call the TSP and request an inspection, or permission to dispose of items. The TSP will, **within two (2) business days** of being contacted, notify you that either the items will be inspected or that you may dispose of the items.
- When the TSP gives notice to inspect the items; the TSP **will do so within 45 calendar days** of being contacted by the owner unless the owner grants a further extension.

## 9. Salvage.

- The TSP is entitled to take possession of and sell for salvage any damaged item on which it has paid either the depreciated or non-depreciated replacement cost, or replaced the damaged item with a new item.
- If the lost item is located, you may decide either to request or decline delivery of the item(s). If you elect to receive a found item, you must refund any amount paid on that item.
- If the TSP locates an item within 60 days of receipt of notice of the loss, and a claim on that item has not yet been paid, you are obligated to accept delivery of the item in lieu of a claim, even if you have replaced the item.
- If the TSP locates a lost item more than 60 days after receipt of notice of the loss, but the item has not been replaced, and a claim on the item has not been paid, you are obligated to accept delivery of the item in lieu of a claim.
- If a lost item is later delivered with damage, the time limits for qualifying for FRV protection and for filing claims on that item will not commence until the delivery of that item.

## 10. Essential Items.

- The TSP is responsible for promptly dealing with owners who have had essential items lost, destroyed or made unusable due to damage. You **must** notify the TSP, MCO, or PPSO of such a loss within 7 days of the date their goods were delivered.
- Essential items include but are not limited to: (1) Refrigerators or other appliances necessary for the safe storage and preparation of food, (2) Necessary medical equipment and (3) Mattresses.
- Upon notification of the loss of an essential item, **within two (2) business days**, the TSP shall either pay for such items, provide temporary or permanent replacements for them, or such other arrangement as agreed to by you.

- Any payments made by the TSP shall be considered an advance on any claim and should not exceed the TSP expected total liability. You are required to file a claim for the loss. Any advance payment will be deducted from your eventual award.

#### **11. Catastrophic Loss Payments.**

- The TSP is responsible for identifying and making partial, advance payments to you for a catastrophic loss to relieve hardships associated with the loss of all or a majority of household goods or unaccompanied baggage. Catastrophic loss occurs when over 60% of the inventory line items in a given shipment are lost, damaged or destroyed.
- The payments are an advance and will not exceed the expected total liability. You are required to file a claim. Any advance payment made will be deducted from your eventual award. Payments are subject to the same maximum liability and rules as all payments.
- The TSP will make payment or come to an agreement on payment within 48 hours of contacting you.

#### **12. High Value Items and High Risk Items.**

- High value items are limited to currency, coins, jewelry, silverware and silver service sets, crystal, figurines, furs, objects of art, computer software programs, manuscripts, comic books, baseball cards, stamps, and other collectable items or rare documents that have a value in excess of \$100 per pound. Individual CDs or DVDs with a value in excess of \$50 will be considered a high value item.
- If you fail to inform the TSP that such items are included in the shipment after asked by the TSP in writing, to list any such items in the above categories that will be included in the shipment, the TSP liability for high value items shall be limited to \$100 per pound of the article.
- Items such as CD's, video tapes and DVDs, that do not qualify as high value items for purposes of this provision limiting liability may be included on a **high risk inventory**.
- Your responsibilities at delivery: You and the TSP **must** open all containers in which the high risk/high value items were packed; remove the items from the containers and physically inspect each item **before you sign** the high risk/high value inventory form.